



A Study on Employee Psychological Aspects of Talent Management in Information Technology Companies

* Maya. M ** Dr. R. Thamilselvan

* Research Scholar, Department of Management studies Sathyabama University, Chennai, India

** Research Guide, Department of Business Administration, Sathyabama University, Chennai, India

ABSTRACT

Younger generations have different needs and are renegotiating the psychological contracts with their employer. They are quick to move if their organisation is not meeting their expectations. Retaining and developing key people in the organisation will be a critical success factor (Madhurigupta, Kavitaagarwal, 2012) India has always been a fortunate destination for multinational companies that plan to build or expand their operations, due to the availability of young and educated workforce. However the retaining the intellectual asset (people) is the biggest challenge faced by many organizations' in India. The study investigates the relationship between employees psychological contract viz Employee perception, Employee attitude and Employee expectations of talent management practice. . Top five ITSPs (by revenue), as classified by NASSCOM, India's main IT industry Association. The survey was carried on employee's working in Software companies located in Chennai city were Talent management is currently practiced. The results were analysed using Friedman test.

Keywords: Talent Management, Psychological aspects, intellectual asset, ITSP's, NASSCOM.

1. Introduction:

The new era is upon the business, the people age. The previous era was defined first by raw materials that transformed them: Stone, Iron and bronze. Then they were characterized by the domains people conquered with technology: industry, space and information. Now, Human potential will be the catalyst for change and the global force driving economic, political and social developments. Talentism is the new capitalism (Michael Haid, 2012).

Migration of talented employees leads to loss of knowledge and learning capabilities, usually suppresses the organisations ability to innovate for sustaining their international competitiveness. This challenge is very much relevant for human intensive Indian IT industry, where employees turnover rates accounts to as much as 40% (Thite & Russell, 2010).

The unique features of the Indian workforce in the IT services sector suggests that research specific to the Indian context should be of benefit to both practitioners and academics in the human resource management (HRM) field, particularly with the continuing shift of the global economy from manufacturing to knowledge-based service industries (Budhwar & Sparrow, 2002; Thite & Russell, 2010).

2. Literature Review

Talent is getting scarcer and pricier in emerging markets as fleet-footed local businesses grab the best people. The importance of talent management practices stems from their assumed influence on whether an organisation will be successful or not within a competitive business environment. It has been stated that increasing the company's human talents will lead to the organisation flourishing (Michaels, Hadfield-Jones & Axelrod, 2001). Talent retention requires the capacity and the ability to engage the talented workers that are already employed by the organisation. The goal of the talent retention strategies to have control over who will leave the company, and when they will leave. The final phase of evaluation involves the use of diverse assessments of the organizational methods employed to improve the influence of human capital within the organisation (Forman, 2005).

Therefore, the complete and holistic view of talent management prioritizes employees of the best quality, who are committed to, engaged in and aligned with organizational goals, aims and targets. The foundation and formation of a supportive cultural environment, rather than a restrictive environment promotes this ideal (Forman, 2005). However, Forman's (2005) theory has no empirical evidence that supports such phase distinctions, or the positive impact such a cyclical talent approach has.

The Indian Information Technology (IT) industry embodies each of the above characteristics. 64.4 per cent of the IT revenues come from exports (Nasscom, 2006). As compared to other industries; IT requires high levels of technical and people skills (Thibodeau, 2006). In the highly competitive market, most companies are seeking to differentiate themselves based on service and quality. IT firms were the first to introduce innovative compensation like employee stock options schemes (ESOPs). India's emphases on tertiary education support from expatriate Indians, governments' policies of liberalization and the innate mathematical abilities of Indians. The software industry has also been successful in attracting the best talents because of relatively high salaries, attractive working conditions, training facilities and opportunities for travel. Access to this large pool of skilled talent has made India a cost effective option for software development, and a number of companies from the developed countries have outsourced their software development to India (Balasubramanyam and Balasubramanyam, 1997).

However, due to the growing demand, there has been a shortage of talent in the industry. Because of this, there has been a steep increase in the salaries and the number of training institutes for software training is on the rise (Thibodeau, 2006). Companies are going beyond merely giving salaries to retain and engage their employees.

Methodology:

The main objective of the study is to investigate how employee's psychological aspects such as Perception, Attitude and Expectations contribute to the talent management practices of ITSPs in India. Potential participants from the top 5 ITSPs

were contacted initially via email to invite them to participate in the study (Marshall Rossman, 1999; Welch et al, 2002). For the purpose data collection a structured questionnaire was constructed. Employees working in Information Technology companies, situated in Chennai city were taken as sample. Feedback was collected from 572 employees in the top 5 ranking companies, given by NASSCOM.

Respondents were asked to mention their level of satisfaction with respect to Talent management activities practiced in their organization to retain talented employees. Employees psychological aspects such as Perception, Attitude and Expectation were analysed. The focus of the study is to identify the association between employees psychological variables & Talent management practices in IT companies in Chennai city

Analysis and Findings:

Hypothesis 1: There is no significant difference between mean ranks towards Employee Perception in IT companies

Table 1: Friedman test for significant difference between mean ranks towards Employee Perception in IT companies

Employee Perception	Mean Rank	Chi-Square Value	P value
Does your organization have a comprehensive talent strategy	2.72	31.696	0.000**
The talent management begins with vision, mission and direction of the organization strategy	2.99		
Training, developing and mentoring helps in talent management	3.11		
The scope of talent management is more than Human resource management	3.11		
Talent management incorporates all the levels in an organization	3.06		

Source: Primary Data.

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards employee perception on talent management practices in IT companies among Software employees. Based on the mean rank most of the employees perceived that their organisation have a comprehensive talent strategy (2.72), followed by talent management in their organisation begins with vision, mission and direction of the organisation strategy (2.99), many employees are in the view that talent management incorporates all the levels in their organisation (3.06), Training, development and mentoring helps in talent management and the scope of talent management is more than human resource management (3.11).

Hypothesis 2: There is no significant difference between mean ranks towards Employee Schemes in IT company's

Table 2 Friedman test for significant difference between mean ranks towards Employee Attitude in IT companies

Employee Attitude	Mean Rank	Chi-Square Value	P value
I am proud to work for my organization	4.07	99.213	0.000**
I am happy at work	4.60		
My efforts at work are valued	3.62		
Career opportunities are available for me with in my organization	4.06		
Decisions have been made about my development on right time without my knowledge	4.12		
I feel I have a future with my organisation	3.68		
I have had the opportunity to take an active role in my personal development in this company	3.85		

Source: Primary Data

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards employee attitude towards talent management practices in IT companies among Software employees. Mean rank revealed that most of the efforts of the employees are valued by their organisation (3.62), employees feel that they have good future with their present organisation (3.68), employees have a good attitude towards their organisation that it takes active role in their personal development (3.85), followed by availability of career opportunities (4.06), pride about the organisation in which they are working (4.07), employees feel happy at work (4.60), and developmental decisions about employees on right time by the organisation (4.12).

Hypothesis 3: There is no significant difference between mean ranks towards Employee Expectation's in IT company's

Table 3: Friedman test for significant difference between mean ranks towards Employee Expectation's in IT companies

Employee Expectation's	Mean Rank	Chi-Square Value	P value
Proper Talent acquisition methods	9.99	328.746	0.000**
Good Pay & benefits	8.91		
Recognition from top management	7.78		
Good Working conditions	7.28		
Quality Supervision & motivation	6.67		
Clear direction from superiors	7.77		
Nature of Work & Organisational Culture	7.56		
Good Relationship between Co-workers & Superiors	7.96		
Advancement opportunities	8.32		
Management's trust on employees	7.95		
Care for Family member	7.22		
Commuting facility	8.29		
Recreation facility	8.64		
Stable Company climate	8.19		
Flexible Work timing	7.47		

Source: Primary Data.

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence it is concluded that there is significant difference between mean ranks towards employee expectation on talent management practices in IT companies among Software employees. Based on the mean rank it was identified that employees have high level of expectation about quality supervision and motivation from leaders (6.67), followed by care for family members (7.22), good working conditions (7.28), least rank was received by good pay and benefits (8.91), and proper talent acquisition methods (9.99).

Conclusion

It was identified that ITSP's in have implemented a comprehensive talent management strategy in their Organisations, these strategies are aligned with vision, mission and direction of the organisation, talent management practices are incorporated at all levels in their organisation, training, development and mentoring helps in talent management and the scope of talent management is more than human resource management. The respondents are in the attitude that there are valued by their organisation, employees feel that they have good future with their present organisation, there organisation takes active role in their personal development, they have good career opportunities. The employees feel proud to work in their organisation and are happy to work in the environment as the developmental decisions about employees are made on the right time by the organisation. Employees expect that their organisation should provide quality supervision and motivation from leaders, they also feel that care for family members, good working conditions, good pay and benefits,

and proper talent acquisition methods should be revised on regular basis and updated.

The research on Talent management shows that there is gap in identifying the psychological satisfaction of employees by the IT companies. Holistic approach of talent management has helped the organisation to manage talent wisely. Talent

DNA and support technology solutions act a bridge between supply and demand requirements of the organisation. By implementing an effective talent management strategy, including integrated data, processes and analytics, and organizations can help ensure that the right people are in the right place at the right time, as well as organizational readiness for the future.

REFERENCES

1. Balasubramanyam, V.N., and Balasubramanyam, A. (1997), International Trade in Services: The Case of India. *Computer Software, World Economy*, 20, pp. 829-843. | 2. Forman, D.C. (2005). *Principles of human capital management*. White River, V.T.: Human Capital Institute. | 3. Madhurigupta, Kavitaagarwal, September 2012, TALENT MANAGEMENT STRATEGY: A STUDY OF PRIVATE BANKS IN INDIA, *Asian Journal of Multidimensional Research* Vol.1 Issue 4, Pg 30 | 4. MARSHALL C and ROSSMAN GB (1999) *Designing Qualitative Research*. 3rd edn, Sage, Thousand Oaks. | 5. Michael Haid, April 2012, "Why you need talent strategy", *Talent Management Magazine*. | 6. Michaels, E., Hadfield-Jones, H. & Axelrod, B. (Eds.) (2001). *The war for talent*. Boston: Harvard Business School Press. | 7. Nasscom (2006), Indian IT-ITES Sector to Exceed USD 36 Billion in FY 2006, retrieved on February 15, 2006, from http://www.nasscom.org/artdisplay.asp?Art_id=4989 | 8. Thibodeau, P. (2006), .Nasscom.sKiranKarnik On India Wage Hikes, Talent-pool Shortage [Electronic version]. *Computer World*. Retrieved on February 15, 2006, from http://www.nasscom.org/articleprint.asp?art_id=4976 | 9. THITE M and RUSSELL B (2010) Work organization, human resource practices and employee retention in Indian call centers. *Asia Pacific Journal of Human Resources* 48(3), 356-374. |